

**PROCEEDINGS OF THE CITY-PARISH COUNCIL MEETING OF THE CITY-PARISH OF LAFAYETTE, STATE OF LOUISIANA, TAKEN AT A SPECIAL MEETING OF JULY 29, 2004.**

**ATTENDANCE**

**COUNCIL:** Randy Menard – Chair (District 9), Rob Stevenson – Vice Chair (District 8), Bobby Badeaux (District 1), Dale Bourgeois (District 2), Christopher J. Williams, Ph.D. (District 3), Louis C. Benjamin, Jr. (District 4), Bruce Conque (District 6), Marc Mouton (District 7)

**ABSENT:** Lenwood Broussard (District 5)

**COUNCIL STAFF:** Norma Dugas (Clerk of the Council), Veronica Williams (Assistant Clerk) and Anne Patin (Senior Administrative Assistant)

**ADMINISTRATIVE STAFF:** L. J. Durel, Jr. (City-Parish President), Dee Stanley (CAO), Becky Lalumia (Associate CAO/Finance Management), Interim Chief Randy Hundley (Police Department), Chief Robert Benoit (Fire Department), Eleanor Bouy (Director of Planning, Zoning and Codes), Gerald Boudreaux (Director of Parks & Recreation), Terry Huval (Utilities Director), Tom Carroll (Public Works Director), Pat Ottinger (Legal Counsel), Tony Tramel (Director of Transportation)

**COMMENCEMENT**

(TAPE 1)(SIDE A)(001) AGENDA ITEM NO. 1: Call to order.

Councilmember Randy Menard called the Special Council Meeting of July 29, 2004 to order and announced:

- Budget Hearings will be held on Wednesday, August 4<sup>th</sup> at 3:00 p.m. and Thursday, August 5<sup>th</sup> at 3:00 p.m.
- The Charter-required Public Hearing to be held on Thursday, September 2, 2004 at 5:30 p.m. Citizen input will be taken at this time.

(TAPE 1)(SIDE A)(002) AGENDA ITEM NO. 2: Invocation and Pledge of Allegiance.

Councilmember Marc Mouton was called upon to deliver the invocation and lead the Pledge of Allegiance.

**INTRODUCTORY ORDINANCES**

(TAPE 1)(SIDE A)(016) AGENDA ITEM NO. 3 - 4: A motion was offered by Conque, seconded by Mouton, to approve the following ordinances for introduction, in-globo.

3. O-178-2004 An ordinance of the Lafayette City-Parish Council adopting an Operating Budget of revenues and expenditures for the Lafayette City-Parish Consolidated Government for the Fiscal Year beginning November 1, 2004, and ending October 31, 2005.
4. O-179-2004 An ordinance of the Lafayette City-Parish Council adopting a Multi-year Capital Improvement Program for the Lafayette City-Parish Consolidated Government, commencing with Fiscal Year 2004-05.

President Durel made his statements regarding the proposed budget. Highlights were:

- To balance the current budget the following had to be done:
  - A \$1,000,000 hit in CIP and General Fund has to be dealt with due to a flat tax year.
  - A \$2,000,000 deficit in the Group Health Insurance Fund
  - Positions have already been abolished or consolidated.
  - The General Fund deficit has been reduced by \$1,200,000.
- The following is proposed for the coming year:
  - A mid-year 2-percent increase for all LCG employees.
  - An increase in building permits fees.

- An increase in Environmental Quality fees to City and Parish garbage customers.
- Funding of External Agencies for the last time.
- An increase in arts and culture funding by \$200,000.
- The creation of a new department, Information Technology, and the hiring of a Chief Information Officer.
- Rolling forward of property tax millage to higher rates already approved by voters.

He finished by stating that hard decisions would have to be made in the next couple of weeks. He then thanked CAO Dee Stanley, Associate CAO/Finance & Mgmt. Becky Lalumia and the Administrative staff for their work on the proposed 04/05 budgets.

Associate CAO/Finance & Mgmt. Becky Lalumia presented the following:

- Total budget for 2004-05 proposed revenues is \$442,172,964 with the bulk of that being utility sales at 41%; since there is a balanced budget, the appropriations also total \$442,172,964 with the bulk of that being departmental operations at 59%.
- Changes in revenue:
  - Property tax reassessments with a roll forward will produce \$1,700,000
  - Sales taxes are declining
  - In lieu of tax is stable and no changes will be made to the formula.
  - A minor fee increase in Codes & Permits of approximately \$160,000
  - An fee increase in Environmental Quality fee of approximately \$270,000 for CIP and \$282,000 for Administration
  - General Fund Subsidies are funds subsidized by the General Fund because they have a dedicated millage that is not sufficient to cover their operations or their user fees fall short of covering their operations.
- Revenue comparison shows \$442,172,964 for 2005 compared to \$431,780,059 for 2004 with a difference of \$10,392,905 or 2.4%.
- City Sales Tax Collections – sales tax has declined compared to 2003. The Year-to-Date decline is .8%; however, an increase of 2.5% was budgeted so there is a budget decrease of 3.2%. This decrease will be reflected in the mid-year budget revision coming up in August. The 2005 Budget will be budgeted at the same level as 2003 Actual.
- Parish Sales Tax Collections – there is a decrease in the Fiscal Year-to-Date compared to 2003 of almost 5%; however a 9% decrease was budgeted so the Parish Sales Tax is ahead by almost 5%.
- Revenue challenges include user fees, such as Codes & Permits fund; millage deficiencies, such as the \$2,677,000 shortfalls in Recreation and Parks; and subsidies from the General Fund to various departments, such as a \$1,290,000 subsidy to the Adult Correctional Center.
- There are a total of 2,168 employees with a payroll of \$68,000,000. Total increase in personnel for 2005 is 3 employees.
- Other personnel changes include the creation of a new IT Department for \$65,621, 2% Fire longevity, 2% general salary increase effective mid-year, group insurance costs and retirement system rates increases. The impact of all these changes for FY 05 is \$1,200,000 and the cumulative impact is \$5,500,000.
- Increase in appropriations:
  - New Golf Course will increase \$128,000.
  - Library expansion will increase \$350,000.
  - Correction Center will increase \$200,000 for inmate medical costs and building maintenance.
  - Courthouse Complex will increase \$175,000 for utility costs and ongoing building maintenance.
  - External Agencies will be funded approximately \$500,000, with an additional \$200,000 for Arts/Culture Development.
- General Fund Reserves:
  - City General Fund \$5,915,372 (plus emergency funds)
  - Parish General Fund \$1,041,582 (plus emergency funds)
- General Fund balances:
  - City \$12,415,372
  - Parish \$4,841,582
- Sales Tax CIP PAYG Fund – There are currently \$8,063,215 available for all CIP capital. Departmental requests for CIP was \$21,000,000. After deducting \$2,800,000 for Administrative costs and approximately \$3,000,000 for overlay, \$2,000,000 was left to fund all department requests. This will continue to decrease until 2009 when some of the

- debt service can be dropped and recoup funds for PAYG.
- The Utility System appropriations will be \$183,084,832. 73% is electric retail sales, 9% is wholesale sales and 81% is electric sales. Water revenue is 6.4% of the budget with 8.7% for wastewater.
- Revenues will also be \$183,084,832. 52% will come from fuel & purchase power, 14% for other electric costs, 7% from wastewater and 4% from water. 1% is for debt service and 11% for capital outlay.
- Revenues are at \$183,084,832 and appropriations are at \$172,780,909. Net Retained Earnings (PAYG capital) proceeds are \$10,303,923.
- 5-Year Capital Program:
  - The bulk of the \$110,572,196 is going into bringing the wastewater plants into compliance with new regulations.
  - Revenues are \$103,906,037 with 53% coming from Bond Proceeds, interest and sales tax.
  - Appropriations are 45% for streets, 14% for drainage, 12% for debt service, 26% for normal capital.
  - Sales Tax Bond Authority will be \$7,493,227 of the \$229,000,000 authorized in 1997. In order to complete the street program, \$12,600,000 from the 1981 Authorization will have to be used. \$20,116,026 is available for 2005, \$55,350,000 is needed for the proposed Bond Program 2005-2009 and future authorization required is \$35,233,974.

Lalumia closed by stating that this was a very difficult budget. From year to year, one program or another may be tight, but this year all programs were tight. Requests totaled \$36,000,000 in excess of the revenues that were available. The Administration is required to produce a budget that balances within what the taxpayers will provide. She continued that this budget would require continued efforts on the part of the employees and strong leadership from the Department Heads. The budget will be very limited to add or increase and provide for new services that aren't in the existing budget.

Upon questioning by the Council, the following issues were discussed:

- The \$200,000 for Arts/Culture would be placed in Council Reserve. Through Liaison Briefings, the Council would be given the opportunity to discuss and then develop, by ordinance, a funding mechanism to disburse these funds. This amount is above the \$500,000 already recommended for External Agency funding. The proposal to eliminate External Agency funding in the future years of the proforma does not eliminate the Festival International, the Arts Council, PASA and the Symphony, which will be grouped with the \$200,000 additional.
- Eleven positions were vacant in Public Works. The Administration identified those vacant positions and returned the funds to the General Fund on the front end in an effort to reduce some of the amount of Fund Balance used to balance this budget.
- There is no statutory imposition on the use of fund balance. Ideally, the Administration would not like to go into fund balance at all. Anything the Council adds without an associated cut will subtract from the fund balance and will add future use of debt service down toward the end years of the Proforma and will shrink the ability of LCG to get on positive ground.
- Not funded in this budget are the Night-Owl Bus Service and two inmate labor crews. Lalumia clarified that these services were not part of the adopted budget. These services were requested additions that were funded by a grant.
- Appropriations for the Correctional Center are a responsibility of the Parish. The Parish must provide the jail; the building maintenance cost, and provides feeding and medical costs for prisoners.
- LCG will not seek additional bonding capacity to fulfill the 5-Year CIP requirements until a clearer picture is determined as to where sales tax revenues are headed and LCG's ability to pay down some of the debt service.
- From a parity standpoint, it depends on the sales tax collections. LCG can sell bonds to the extent that the annual sales tax collections are at least 1.5 times that debt service. Currently, LCG's two-year average sales tax is \$53,000,000. The maximum debt service it could support is \$35,000,000 and LCG is basically at \$29,500,000. So the bond capacity (to bring LCG to parity) is \$71,000,000.
- To fund the additional six months of 2% increase for all employees would be \$360,000 from the General Fund.

Williams then requested that the Administration be prepared to address the following at the appropriate budget hearing: Night-Owl Service, golf courses, LCG employees living in poverty, and the privatization of current vendors such as janitorial services.

Benjamin requested that the following be discussed during budget hearings:

- Privatization costs for Fire Department
- The cost of a straight, 40-hour work schedule for all firemen to reduce overtime.

The Chair then called for the vote on the motion, and the vote was as follows:

YEAS: Badeaux, Bourgeois, Williams, Benjamin, Conque, Mouton, Stevenson, Menard

NAYS: None

ABSENT: Broussard

ABSTAIN: None

*Motion was unanimously approved.*

(TAPE 1)(SIDE B)(543) AGENDA ITEM NO. 5: Comments from the public on the above introductory ordinances.

No comments.

**ADJOURN**

(TAPE 1)(SIDE B)(544) There being no further business to come before the Council, Chair Menard declared the Special Lafayette City-Parish Council Meeting adjourned.

---

NORMA A. DUGAS, CLERK  
LAFAYETTE CITY-PARISH COUNCIL